

VIRGINIA:

BOOK 503 PAGE 524

BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE:

SUPPLEMENTAL ORDER REGARDING DOCKET NUMBER VGOB-99-0720-0764

ELECTIONS: UNIT R-37
(herein "Subject Drilling Unit")

REPORT OF BOARD

FINDINGS AND ORDER

This Supplemental Order is entered by the Board *sua sponte* in the form authorized by the Board at hearings held on February 15, 1994 and June 16, 1992; and this Supplemental Order is being recorded for the purpose of supplementing the Order previously in the captioned matter on January 10, 2000 which was recorded at Deed Book 500, Page 580 in the Office of the Clerk of the Circuit Court of Buchanan County, Virginia, on January 13, 2000, (herein "Board Order") and completing the record regarding elections.

Findings: The Board finds that:

The Board Order directed POCAHONTAS GAS PARTNERSHIP (herein "Designated Operator") to mail copies of the Board Order to all Respondents whose interests, if any, were pooled by the said Board Order;

The Designated Operator filed its affidavit of elections disclosing that it had mailed a true and correct copy of the Board's Order to all Respondents whose interests, if any, were pooled by said Board Order;

The Board Order required each Respondent whose interests, if any, were pooled by the terms of said Board Order to make an election within thirty (30) days after the date of mailing or recording, as applicable, of said Order; the affidavit of elections filed herein and annexed hereto as Exhibit A states: (i) whether each Respondent has made or failed to make a timely election; (ii) the nature of any election(s) made; and (iii) whether, by reason of a failure to elect or to timely elect one or more Respondents are deemed, under the terms of the Board's Order, to have leased all their rights, title, interests, estates and claims in Subject Drilling Unit to the Applicant;

That the affidavit of elections annexed hereto with the Exhibits submitted therewith identifies the Respondent(s) making a timely election, if any; identifies the Respondent(s), if any, who are deemed to have leased; identifies the conflicting interests and claims which require escrow; identifies the interests and claims, if any, requiring escrow under Virginia Code section 45.1-361.21.D.; and identifies the Respondents, if any, who may be dismissed by reason of having leased or entered into a voluntary agreement with the Applicant.

The affidavit of elections indicates that the escrow of funds is required with regard to Unit R-37;

Order: By this Order, the Board orders the Designated Operator to tender, consistent with and in accordance with the findings set forth at paragraph 2. above and the annexed affidavit of elections with Exhibits thereto, any funds subject to escrow and instructs the Escrow Agent, First Union National Bank, Corporate Trust PA1328, 123 Broad Street, Philadelphia, PA 19109-1199, Telephone: (215) 985-3485 or (800) 664-9359, Attn: Don Ballinghoff, or any successor named by the Board to establish interest bearing escrow account(s), IRS Tax Identification Number 54-1629506, in accordance with the information set forth in the affidavit of elections with Exhibits thereto, to receive funds and account to the Board therefor.

Mailing of Order and Filing of Affidavit: The Designated Operator under the captioned Order or shall file an affidavit with the Secretary of the Board within ten (10) days after the date of receipt of this Order stating that a

DONE AND PERFORMED THIS 15th day of March, 2000, by Order of the Board

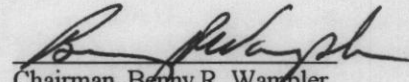
B. R. Wilson
Acting Principal Executive to the Staff

true and correct copy of this Order was mailed to each Respondent whose interests or claims are subject to escrow and whose address is known within seven (7) days from the date of receipt of this Order.

Conclusion: Therefore, the findings and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.

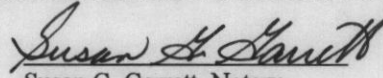
Effective Date: This Order shall be effective on the date of its execution.

DONE AND EXECUTED this 13th day of March, 2000, by a majority of the Virginia Gas and Oil Board.


Chairman, Benny R. Wampler

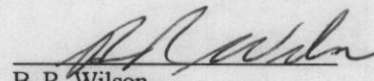
STATE OF VIRGINIA
COUNTY OF WISE

Acknowledged on this 13th day of March, 2000, personally before me a notary public in and for the Commonwealth of Virginia, appeared Benny R. Wampler, being duly sworn did depose and say that he is Chairman of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.


Susan G. Garrett, Notary

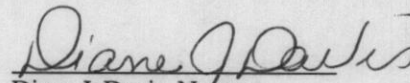
My commission expires: 7-31-02.

DONE AND PERFORMED THIS 15th day of March, 2000, by Order of the Board.


B. R. Wilson
Acting Principal Executive to the Staff
Virginia Gas and Oil Board

STATE OF VIRGINIA
COUNTY OF WASHINGTON

Acknowledged on this 15th day of March, 2000, personally before me a notary public in and for the Commonwealth of Virginia, appeared B. R. Wilson, being duly sworn did depose and say that he is Acting Principal Executive to the Staff, Virginia Gas and Oil Board, that he executed the same and was authorized to do so.


Diane J. Davis, Notary

My commission expires: 9/30/2001

VIRGINIA:

Exhibit A

BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE:

Application of Pocahontas Gas Partnership for Forced Pooling of Interests in CBM Unit R-37 VGOB-99-0720-0764 in the Garden District of Buchanan County, Virginia

AFFIDAVIT OF POCAHONTAS GAS PARTNERSHIP (herein "Designated Operator") REGARDING ELECTIONS, ESCROW AND SUPPLEMENTAL ORDER

Leslie K. Arrington, being first duly sworn on oath, deposes and says:

That your affiant is employed by CONSOL Inc., as a Permit Specialist and is duly authorized to make this affidavit on behalf of POCAHONTAS GAS PARTNERSHIP, the designated operator,

That the Order entered on January 10, 2000, by the Virginia Gas and Oil Board (hereinafter "Board") regarding the captioned CBM Unit required the Applicant to mail a true and correct copy of said Order to each person pooled by the Order;

That within seven (7) days of receipt of an executed copy of the Order referred to at paragraph 2. above, your affiant caused a true and correct copy of said Order to be mailed via the United States Postal Service to each Respondent named in the captioned Application, whose address was known, and to all persons, if any, who were added as Respondents at the hearing held in the captioned matter; that proof of such mailing has previously been tendered to the Division of Gas and Oil, the Office of the Gas and Oil Inspector, at Abingdon, Virginia;

That the Order of the Board in the captioned matter required all persons pooled thereby to tender their written elections to the Unit Operator within thirty (30) days of the date the Order was recorded in the county identified above; that said Order was recorded on January 13, 2000;

That the designated operator POCAHONTAS GAS PARTNERSHIP has established procedures to review all mail received and all written documents received other than by mail to ascertain whether parties whose interests have been pooled have made a written election, in a timely fashion, as required by the captioned Order; that said procedures were followed to identify the elections, if any, made with regard to the Subject Unit; that the following persons delivered, by mail or otherwise, written elections the Unit Operator, within the thirty day elections period:

None.

That Respondents identified in Exhibit B-3 hereto are, having failed to make any election, deemed to have leased their coalbed methane rights, interests and claims to Applicant, all as provided in the Board's Order of January 10, 2000;

See attached Exhibit B-3.

That the rights, interests and claims of the following persons are subject to escrow under the Board's Order pooling the captioned Unit, Board Regulations and the Code of Virginia:

See attached Exhibit E.

That after the pooling hearing held in the captioned matter, the following persons have leased or entered into a voluntary agreement with the Designated Operator:

None.

that to the extent any of said persons listed in Exhibit B-2 have rights, interests and claims which are not subject to escrow, they should be dismissed as respondents; the Operator requests that the following persons be dismissed as Respondents:

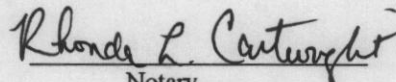
None.

That pursuant to the provisions of VAC 25-160-70.A.10. and C. and VAC 25-160-80 the annexed supplemental order sets forth the interests and claims that require escrow of funds pursuant to Virginia Code sections 45.1-361.21.D. and 45.1-361.22.A.3. and 4.

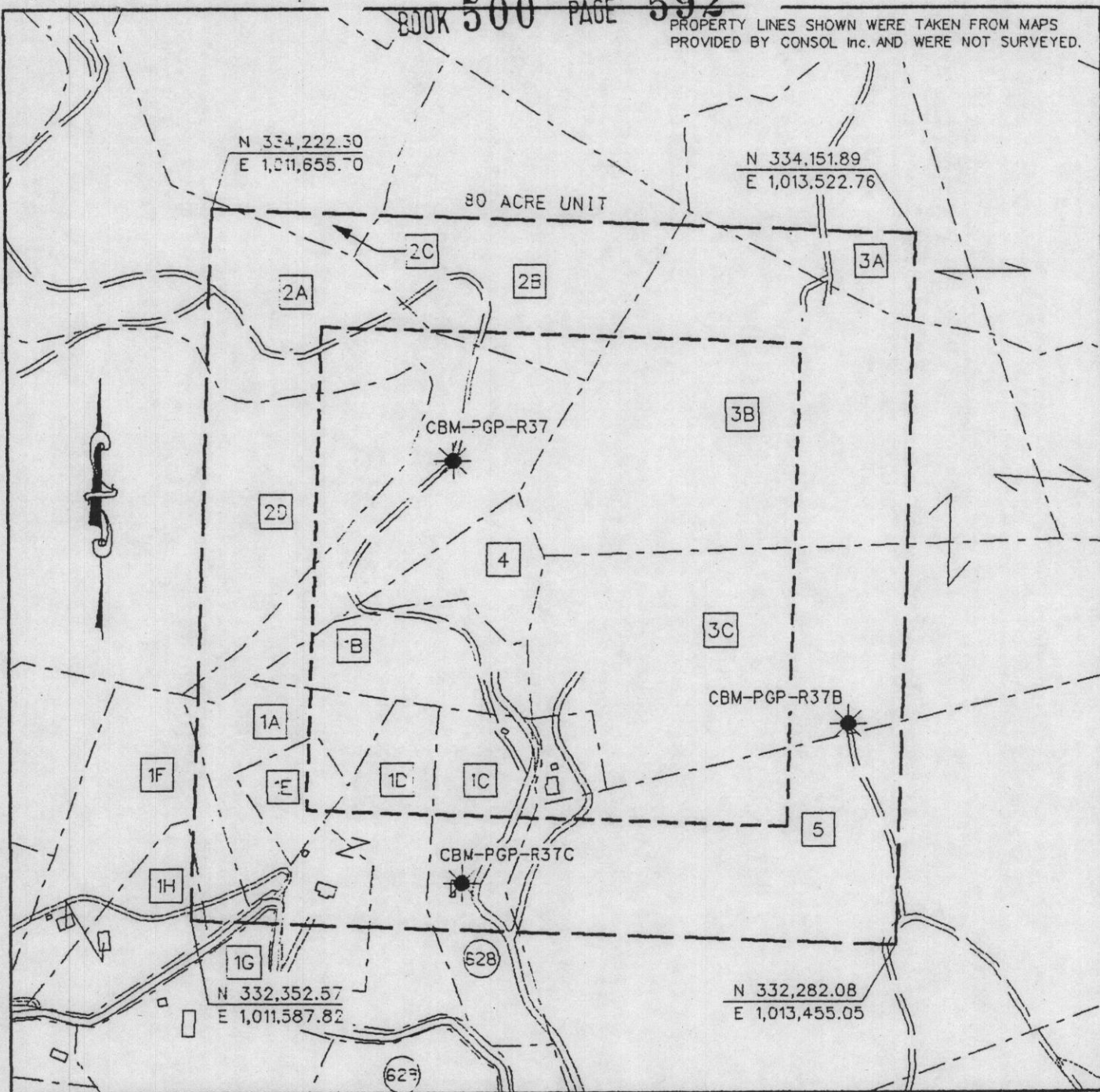
Dated at Tazewell, Virginia, this 3RD day of MARCH, 2000.


Leslie K. Arrington

Taken, subscribed and sworn to before me by Leslie K. Arrington as Permit Specialist of CONSOL Inc., on behalf of the corporate Designated Operator, this 3rd day of March, 2000.


Notary

My commission expires: 10/31/01.

PROPERTY LINES SHOWN WERE TAKEN FROM MAPS
PROVIDED BY CONSOL Inc. AND WERE NOT SURVEYED.**LEGEND**

← TRACT LAND HOCK

[2] TRACT LAND ID'S

EXHIBIT A
OAKWOOD FIELD UNIT R-37
FORCE POOLING
VGOB-99-1117-0764

Company Pocahontas Gas Partnership Well Name and Number UNIT R37Tract No. _____ Elevation _____ Quadrangle Keen MountainCounty Buchanan District Garden Scale: 1" = 400' Date 10/15/99This plat is a new plat X ; an updated plat _____ ; or a final plat _____Form DGO-GO-7
Rev. 9/91

Charles G. May
Licensed Professional Engineer or Licensed Land Surveyor

105 (Affix Seal)

February 17, 2000

POCAHONTAS GAS PARTNERSHIP**UNIT R-37****Tract Identifications**

1. J. P. Royall, et al - Coal, Oil & Gas
Consolidation Coal Company - Coal Below Drainage Lessee
United Coal Company - Coal Above Drainage Lessee
Permac Inc. - Coal Above Drainage Lessee
15.29 acres 19.1125%
- 1A. Goldie Horn - Surface
- 1B. Franks/Clyborne - Surface
- 1C. Lonnie Honaker - Surface
- 1D. Frank Horn - Surface
- 1F. Jerry Horn - Surface
- 1G. Tim Justice - Surface
- 1H. Melissa Vandyke - Surface
2. Alpha Stickley, et al - Coal, Oil & Gas
Coal Lessees
Island Creek Coal Company
Jewell Smokeless Coal Corporation
Permac, Inc.
Pocahontas Gas Partnership - CBM Lessee
22.95 acres 28.6875%
- 2A. Metcalf & Culbertson - Surface
- 2B. Franks/Clyborne - Surface
- 2C. New Garden Coal Co. - Surface
- 2D. Annis Hylton - Surface
3. R. O. Vandyke Heirs - Tr. 1, Coal, Oil & Gas
Consolidation Coal Company - Coal Below Drainage Lessee
Jewell Smokeless - Coal Above Drainage Lessee
Consolidation Coal Company - Oil & Gas Lessee
Pocahontas Gas Partnership - CBM Lessee
29.03 acres 36.2875%
- 3A. New Garden Coal Co. - Surface
- 3B. New Garden Coal Co. - Surface
- 3C. New Garden Coal Co. - Surface
- 3D. Cloyd Boyd - Surface
4. Franks Estate - ½ Coal, Oil & Gas
Consolidation Coal Company - ½ Coal Jawbone & Below
Clyborne, Inc. - ½ Coal Above Jawbone - Oil & Gas
Consolidation Coal Company - ½ Coal bel. Jawbone Lessee
Pocahontas Gas Partnership - CBM Lessee
Pocahontas Gas Partnership - Oil & Gas Lessee
2.31 acres 2.8875%

February 17, 2000

POCAHONTAS GAS PARTNERSHIP
UNIT R-37
Tract Identifications

5. Metcalf Estate - Coal, Oil & Gas
Consolidation Coal Company - Coal bel. Jawbone Lessee
Pocahontas Gas Partnership - CBM Lessee
New Garden Coal Company - Surface
10.42 acres 13.0250%

Docket No. VGOB-99-1117-0764
List of Unleased Owners/Claimants

		Net Acres in Unit	Interest in Unit	Election
I.	<u>COAL FEE OWNERSHIP</u>			
	<u>TRACT #1 - 15.29 acres</u>			
(1)	J. P. Royall & G. W. Gillespie, estate, et al c/o John W. Gillespie P. O. Box 675 Tazewell, VA 24651	15.153613 acres 99.1080% of 15.29 Acres	18.94202%	Deemed Leased
II.	<u>OIL & GAS FEE OWNERSHIP</u>			
	<u>TRACT #1 - 15.29 acres</u>			
(1)	J. P. Royall & G. W. Gillespie, estate, et al c/o John W. Gillespie P. O. Box 675 Tazewell, VA 24651	15.153613 acres 99.1080% of 15.29 Acres	18.94202%	Deemed Leased

Docket No. VGOB-99-1117-0764
List of Conflicting Owners/Claimants that require escrow

	Net Acres in Unit	Interest in Unit
<u>TRACT #4 - 2.31 acres</u>		
<u>COAL FEE OWNERSHIP</u>		
(1) Reserve Coal Properties (1/2 coal below jawbone) P. O. Box 947 Bluefield, VA 24605	1.155 acres 1/2 of 2.31 acres	1.44375%
<u>OIL & GAS FEE OWNERSHIP</u>		
(1) Clyborne, Inc. 11201 Whitcomb Place Woodway, WA 98020	1.155 acres 1/2 of 2.31 acres	1.44375%

RECORDED IN JUNE
INSTRUMENT
JAMES M. E.
BIRCH T.V.
MARCH 13

VIRGINIA: In the Clerk's Office of the Circuit Court of Buchanan County. The foregoing instrument was this day presented in the office aforesaid and is, together with the certificate of acknowledgment annexed, admitted to record this 17th day of March, 2000. Deed Book No. 503 and Page No. 524. TESTE: James M. Bevins, Jr., Clerk. Returned this date to, [Signature] TESTE: Patricia [Signature] Deputy Clerk. Mailed [Signature] Dams